

ON THE WATERFRONT: What's new about moving freight on water (instead of by truck)

by Roberta E. Weisbrod¹

One hundred years ago, New York City's major financiers, Jay Gould & Jim Fisk, the 'Commodore' Cornelius Vanderbilt, and JP Morgan, all vied for the lucrative cross harbor rail float business – to wrest the concessions to move goods to and from the City of Wealth and Power and the rest of the nation and the world². Now, after a fifty year decline, waterborne freight of all kinds is growing, and more services are being planned: rail car on barge, container on barge; slow boats, fast ferries; intra port, and port to port; and businesses and governments are again investing in water transport.

Why is there an enormous amount of activity in this arena? Because metropolitan NYC, the largest consumer market in the US, and perhaps the world, is also the hot zone for truck congestion, costing the city an estimated \$10 billion annually. Congestion will only get worse before it gets better with the construction of the cross harbor rail freight tunnel (See www.crossharborstudy.org).

Moving freight within the harbor.

Cross Harbor Rail Floats

One hundred years ago, 2000-3000 rail cars were floated across the harbor each day.³ At the start of the 21st Century only 3300 rail cars are barged across *each year* (about one barge load a day). The public benefit is great since each barge load carries about 15 rail cars and each rail car is the equivalent of four trucks, and therefore each four-hour roundtrip crossing removes 120 trucks from the local bridges, tunnels and roadways. And the business is growing, according to Ron Bridges, new President of Cross Harbor Rail Road. The growth rate this year, 21%, is expected to continue in the coming year. There has been a concomitant increase in revenue.⁴ Cross Harbor takes rail barges between Brooklyn's 51st in Sunset Park and the only landing in New Jersey, the Greenville Yard in Jersey City.

Meanwhile governments and the private sector are investing in growing the service.

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² Michael Krieger "Where Rails Meet the Sea" Michael Friedman Pub. Group, NYC (1998)

³ Michael Krieger "Where Rails Meet the Sea" Michael Friedman Pub. Group, NYC (1998)

⁴ SEC Quarterly Report. New York Regional Rail Corp. (Nov.14, 2000).

The New York City Economic Development Corporation (NYC EDC) already invested \$20 million in upgrading another rail float landing at 65th Street in Sunset Park and, after an RFP process, recently awarded the service at the 65th St landing to the Canadian Pacific Railroad Company. In June the agency announced that they retained a consulting firm, Moffat and Nichols, to help design waterfront rail freight facilities in the northern section of Sunset Park and in Red Hook. The budget for the construction of these two projects is \$16 million.⁵ More improvements are likely; EDC's cross harbor rail freight study, www.crossharborstudy.org is directed toward achieving the rail freight tunnel as well as upgrades of maritime rail freight.

The private sector is not sitting still. The Cross Harbor Rail Road company, according to its CEO, is planning to go beyond transporting boxcars, tankers and hoppers on barges, and is also stepping up service to handle containers from ocean-going ships onto railroad flat cars, which are then barged to Jersey City and railed out to the west. The company is also working on a deal to transport truck trailers on flatcars across the harbor. Twenty-five trailers per crossing could be moved off the road a day; and railed out to Long Island, a start for relieving the traffic on the LIE and the BQE leading to it.

Were the New Jersey landing to be improved, cross harbor rail float operations could expand. The Greenville rail yard in Jersey City needs a second floatbridge, which would allow one barge to be loaded while the second barge is offloaded.

Cocoa and containers on barges

Red Hook in Brooklyn is the largest cocoa port in the US. Cocoa from Africa and South America is off loaded, fumigated, and is transported in rail floats or container barges across the harbor. Red Hook container on barge service has been subsidized by the Port Authority since 1991 as mitigation for the reconstruction of the Gowanus Expressway. By subsidizing container on barge transport across the harbor, the Port Authority helps relieve congested truck transport on highways whose construction is Federally subsidized at the same time the Authority supports expanding port and international trade.

EDC recently purchased two new cranes for improved service at Red Hook, and the Port Authority will provide two additional barges. What is new, is that the Port Authority Board, at its July meeting passed a resolution supporting continuation of the Red Hook barge service for another three years and helped address a shortfall⁶.

Fuel, Construction materials, and a new way with Garbage

Billions of gallons of refined fuel – heating oil, gasoline, jet fuel, etc, are transported annually by barge around and through the harbor. In addition, according to Linda O'Leary, Vice President of the American Waterways Operators Atlantic Region, construction materials, sand, gravel and aggregate Connecticut and from the Albany area are brought to businesses in the harbor, for example to Brooklyn Navy Yard (reference last month's article) and redistributed to customers. Barges also transport "project cargo," huge oversized machinery, like General Electric turbine

⁵ Press Release. "City Moves Ahead with Plans for Brooklyn Waterfront Rail and Port Improvements" (June 13, 2001). New York City Economic Development Corporation

⁶ Resolution, of the Port Authority Board 7/26/01

motors from Schenectady, that are too large for road transport. On a daily basis, tug and barge movements within the port constitute over 75% of all vessel traffic⁷.

As is well known, municipal solid waste had until recently been barged from marine transfer stations throughout the city to the Fresh Kills landfill, Mar 22, 2001 being the last day Fresh Kills maritime garbage operation. New York City's long term plans for the disposal of garbage rely on maritime transport from five marine transfer stations (3 in Manhattan, 1 each in Brooklyn and Queens) to an enclosed barge unloading facility at Tremley Point in Linden in Union County New Jersey. At the \$50 million Browning Ferris Industries facility in Tremley Point, the waste will be transferred to enclosed railcars and railed to the landfills. On August 14, 2001, the Freeholders of the City of Linden unanimously approved the marine-to-rail transfer plan.

Air cargo

High value time sensitive air cargo is jetted in to Kennedy and Newark airports where it hits the brick wall of congestion. Empire WaterLink (www.H2Oferry.com) a locally-based company, among other companies, is working toward establishing a high speed vessel intra-harbor delivery service. They recently obtained a hold on a lease for a vessel landing site at Kennedy airport, contingent on obtaining the proper permits.⁸

Between the harbor and other parts of the country

From the port to the region: the port inland distribution network

The Port Authority is promulgating regional maritime transport of containers, the "Port Inland Distribution Network" in which containers are stacked on barges and transported to adjacent regions – particularly to upstate New York and to southern New England.⁹ The potential partners, Albany¹⁰ and Bridgeport¹¹, are enthusiastic. The containers on barges will help New York and New Jersey unclog the roads, while still retaining important port business. The partner ports get the economic benefit of being a point of distribution. According to published reports in the Journal of Commerce, the inter-port barge service is expected to begin before the end of this year.¹²

⁷ Linda O'Leary, American Waterways Operators, Aug 2001

⁸ Chris Von Zwehl, CEO Empire WaterLink, personal communication

⁹ Hub and spoke: Port of New York and New Jersey moves ahead with plans for regional network of container feeder ports" JOCWeek, July 16, 2001 and Bill Ellis, personal communication

¹⁰ "Hub and spoke: Port of New York and New Jersey moves ahead with plans for regional network of container feeder ports" JOCWeek, July 16, 2001 and Frank Keane, Executive Director, Port of Albany, personal communication

¹¹ "Benefits from Developing a Container Shipping Facility and Service in Bridgeport" Greater Bridgeport Regional Agency, Dec. 15,2000.

¹² "Hub and spoke: Port of New York and New Jersey moves ahead with plans for regional network of container feeder ports" JOCWeek, July 16, 2001

The coastwise trade

In addition there are two vessel lines that provide waterborne freight service alternatives to interstate 95; one carries truck trailers on barges, the other containers on barges. Both were started in the past decade.

Trailerbridge (www.trailerbridge.com), a business developed by the late great Malcolm McLean, the father of containerization, transports truck trailer containers stacked three-high on huge sea-worthy barges, from Puerto Rico to New York harbor, docking at Port Newark. Upwards of 10,000 trucks are removed from the interstate highway south from New York/New Jersey per year.¹³ Also helping to clear the air is the fact that Trailerbridge uses cleaner distilled fuels for the maritime engines instead of residual oil

Columbia Coastal (www.columbia-coastal.com) offers container on barge service all along the east coast of the US, including service between the Port of New York/New Jersey and Boston as well as between the Port and Philadelphia and Baltimore. Columbia Coastal is likely to be selected to handle much of business for the Port Authority's Port Inland Distribution Network, according to this month's edition of an industry journal, American Shipper.¹⁴

On the horizon:

There are now several organizations, the major one being the Coastwise Coalition, that have sprung up in the past year, whose raison d'être is to encourage public spending on maritime transport of freight, especially as alternative to the congested Interstate I-95. Their mission is supported by none other than US Secretary of Transportation Norman Mineta, a very well-informed and articulate advocate.¹⁵ The future for waterborne freight looks strong.

¹³ Devin Sullivan (Trailerbridge), personal communication

¹⁴ "Trucks on Water: Persistence of coastwise tug-barge carrier Columbia Coastal pays off," by Robert Mottley, American Shipper August 2001 p67

¹⁵ Norman Mineta, Presentation before the Marine Transportation System National Advisory Committee (MTSNAC) meeting at Kings Point, NY, May 4, 2001.